Deregulation of oil price

556. SHRIMATI T. RATNA BAI: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether it is a fact that deregulation of oil prices would give the private firms a free hand to run;

(b) if so, the details thereof and the views of each of the States in this regard; and

(c) what would be the role of Government in the matter if it is deregularised?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI JITIN PRASADA): (a) to (c) With effect from 1.04.2002, the Administered Pricing Mechanism (APM) for petroleum products was dismantled and it was decided that the pricing of all petroleum products, except PDS Kerosene and Domestic LPG, would be market-determined. However, in view of the steep increase and high volatility in the international oil prices since 2004-05, the Government has been modulating the retail selling prices of Petrol, Diesel, PDS Kerosene and Domestic LPG sold by the three Public Sector Oil Marketing Companies; namely, Indian Oil Corporation, Bharat Petroleum Corporation and Hindustan Petroleum Corporation to protect the consumer from the inflationary impact of international oil prices. The other oil marketing companies, including the private sector ones, are not subject to any price controls and are free to fix their retail prices as per market conditions and on commercial considerations.

Tax on petrol and LPG

557. SHRI SHYAMAL CHAKRABORTY:

SHRI MOINUL HASSAN:

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) what is the Central Government tax component of petrol and Liquified Petroleum Gas (LPG);

(b) whether Government is willing to reduce this tax component; and

(c) the price of aviation fuel?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI JITIN PRASADA): (a) The details of Central Government taxes on Petrol and Domestic LPG, as on date, are as under:

Product	Custom Duty Rate	Excise Duty
Petrol (Unbranded)	2.50%	Rs. 13.35 per litre
Domestic LPG	Nil	Nil

*3% Education Cess is also levied on the above Duties.